

# DLLR

## STATE OF MARYLAND

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Office of the Commissioner of Financial Regulation  
Sarah Bloom Raskin, Commissioner

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March 12, 2009

The Honorable Thomas McLain Middleton, Chairman  
Senate Finance Committee  
Miller Office Building, 3 East Wing  
Annapolis, Maryland 21401

Re.: Senate Bill 706

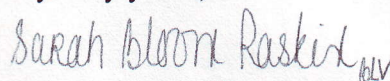
Dear Chairman Middleton:

The Office of Financial Regulation remains opposed to amending the current "24 month rule" (commonly referred to as the anti-churning rule) as suggested. As you know, the legislature enacted the provision as a meaningful consumer protection designed to prohibit excessive finder's fees (commonly referred to as broker's fees) in connection with multiple mortgage loans on the same property within 24 months. We believe that the current finder's fee law is adequate in permitting Maryland mortgage brokers to collect reasonable fees where there are multiple loans on the same property over a relatively short period of time.

Moreover, as indicated in our testimony, the timing of a change that diminishes this important consumer protection is poor. As I testified, "An economic crisis which increases the vulnerability of many consumers is not the time to weaken an important law that does much to protect Maryland borrowers." This protection has been in place since 1979, and no testimony or argument has been raised that sufficiently justifies shifting course at this time. Indeed, to our knowledge no consumer groups are in support of the bill, either as originally introduced or as amended. There are also consequences regarding the enforcement of a revised provision that have not been adequately explored. We see no compelling case as to why this important consumer protection (one that has existed for three decades) needs to be scaled back at this time.

Please feel free to contact me if you have any questions on our position regarding this important matter.

Very truly yours,



Sarah Bloom Raskin  
Commissioner of Financial Regulation

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